Medicaid and HIT in New York

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NYS Government Role: Implement National Strategy Quickly and Efficiently

- Leader
- Regulator
- Financier
- Payer

Leadership

- Historical major NY government role
- Governmental HIT Work Group
- Support clinical data sharing projects (RHIOs) Statewide
- eRx, e-Imaging, Research and HITEC work groups
- Statewide stakeholder group
- Public Health

Regulator

- Legal - anti-trust, fraud/kickback
- Privacy and security - HISPC Project
- Link to national standards

Financier

- Public Good: building infrastructure
- HEALNY
- F-SHRP
- Federal and private grants

Payer - THE Key Role in HIT Financing

- Medicaid
- NYSCHIP
- Child and Family Health Plus

Medicaid Policies in New York

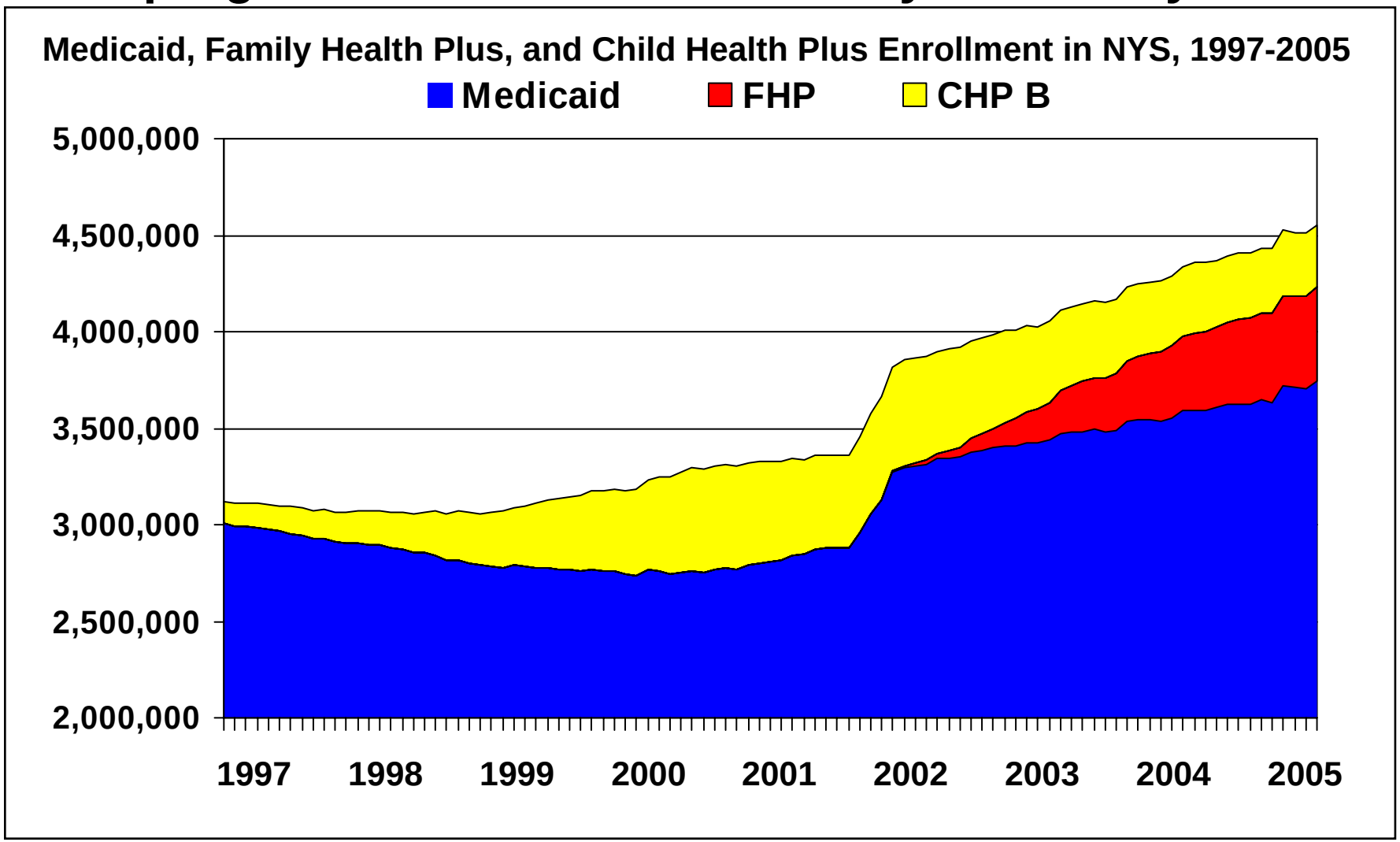
- **Broadest range of services**
- **Broad range of eligibility categories**
- **Heavy reliance on managed care**
- **Long term care is a large part of the program**
- **Major administrative challenges**

Medicaid is a significant part of health care financing in NYS

- **Medicaid accounted for $41.6 billion in payments to health care providers and plans in New York in 2004.**
  - **$11.1 billion in payments to hospitals**
    - **27% of discharges statewide**
    - **25% of hospitals' patient revenue statewide**
      - **31% of revenue in NYC**
      - **17% of revenue upstate**
  - **$6.5 billion in payments to nursing homes**
    - **78% of nursing home days statewide**

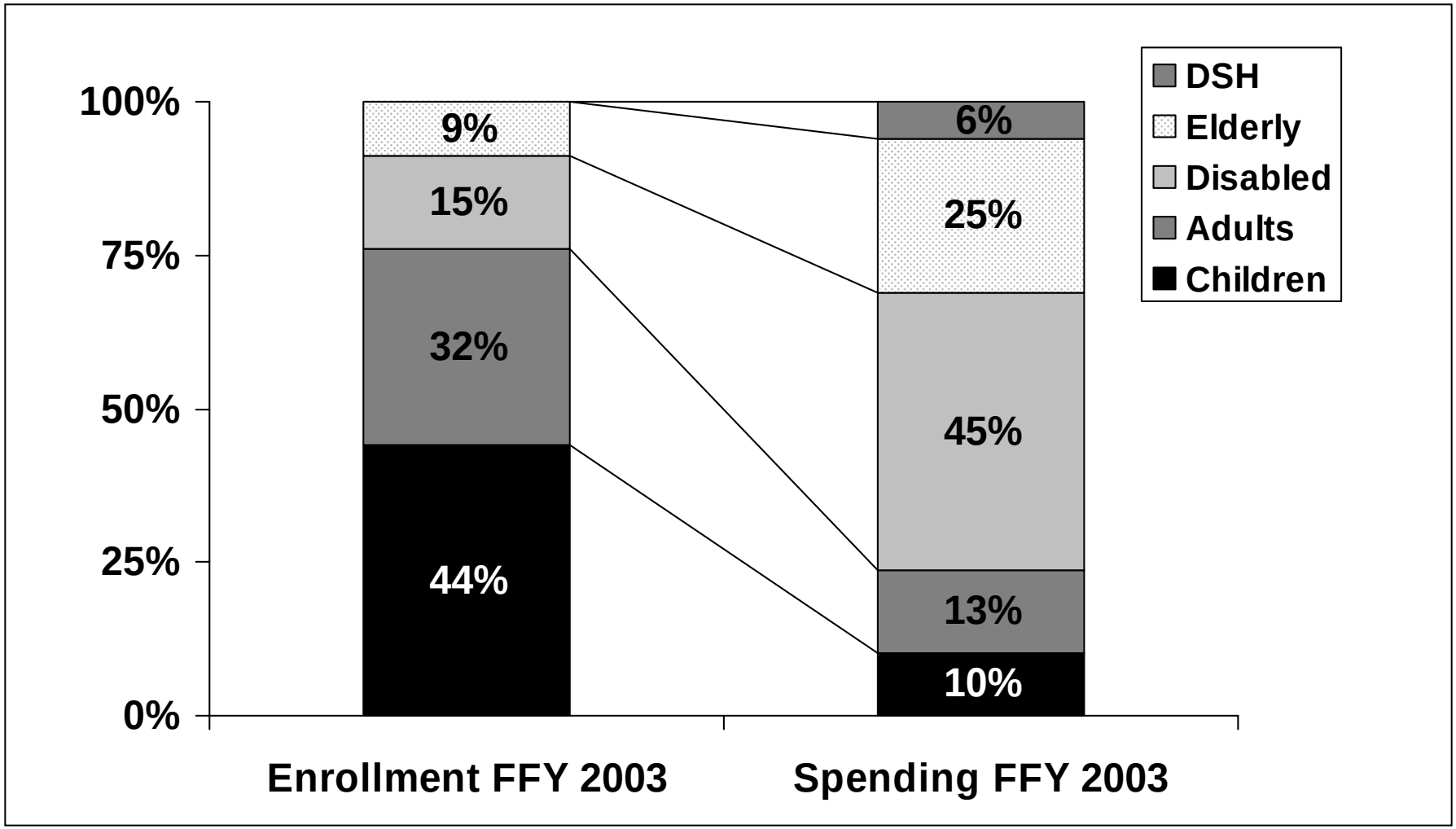
Note: **Medicaid payments to hospitals** include inpatient, outpatient, and MH services and DSH payments. Hospital revenue includes payments from HCRA BD, CC, and GME pools, and revenue from hospital-owned providers. Shares of hospital revenue and nursing home patients-days are from CY 2002.
Source: United Hospital Fund analysis of CMS 64 (2003) and Institutional Cost Reports (2002); GNHYA HealthCare Statistics (2004).

Enrollment in New York's public health insurance programs has increased steadily in recent years



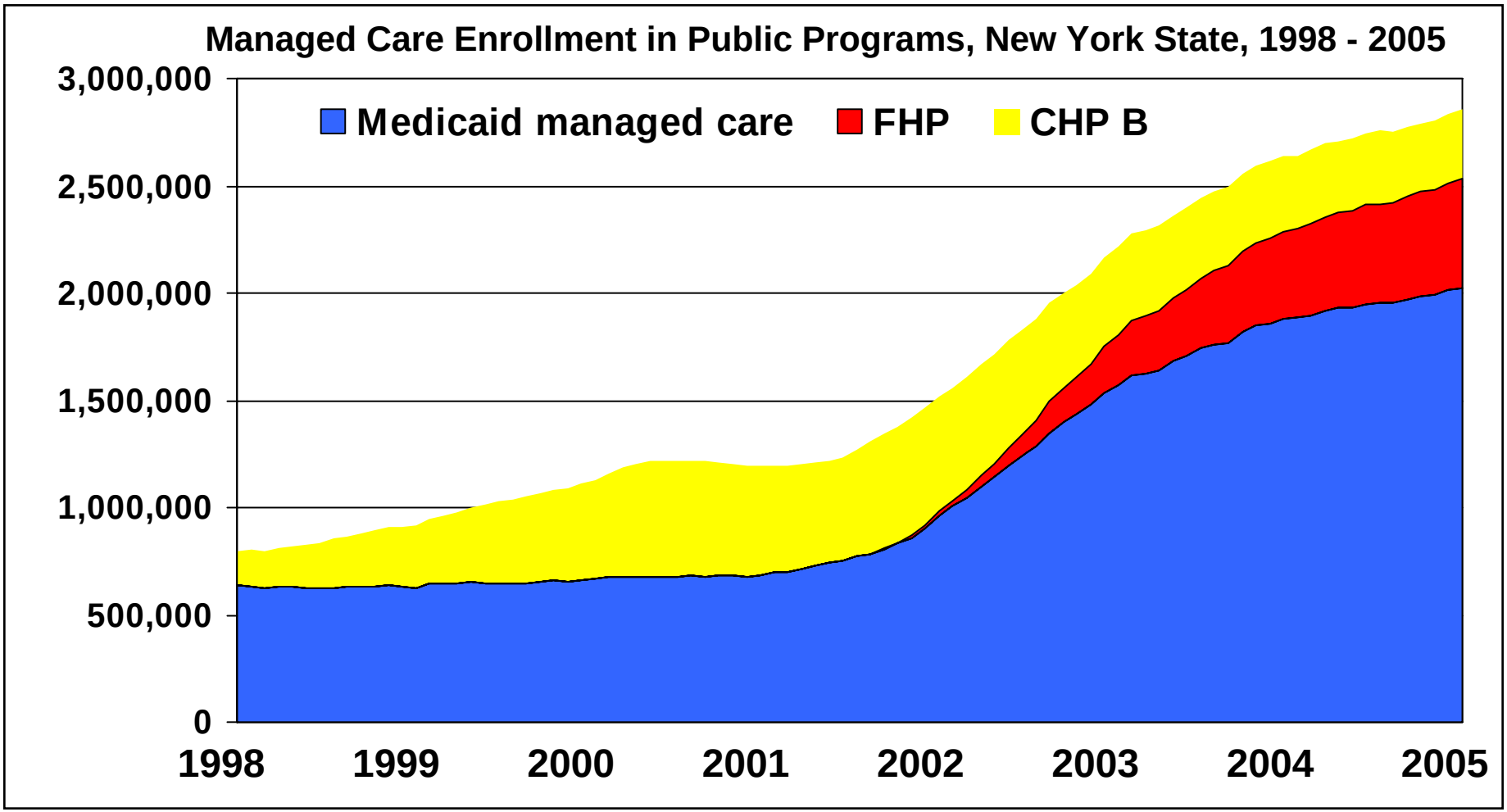
Source: **United Hospital Fund analysis of NYS Department of Health enrollment reports: January 1997 – March 2005.**

The elderly and disabled represent 24 percent of New York's Medicaid enrollment, but account for 70 percent of spending



Note: **Data include beneficiaries enrolled for any period during the FFY; children and adults do not include disabled or elderly beneficiaries. Medicaid spending excludes administration. Shares may not add to 100 percent due to rounding.**
Source: **CMS 64 and MSIS (formerly 2082)**

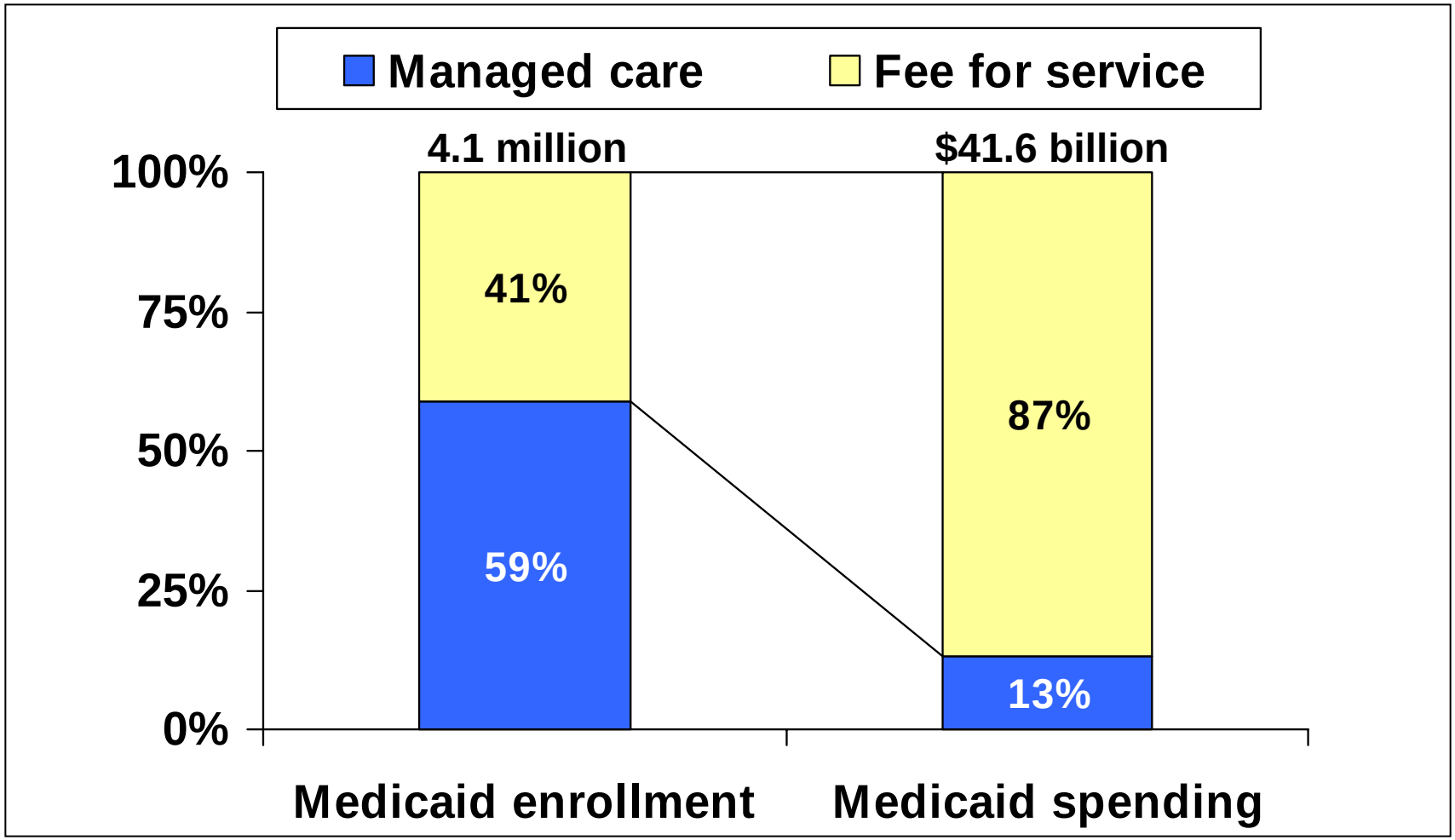
Managed care enrollment in New York's public health insurance programs has increased steadily in recent years



Note: **Managed care enrollment becomes available before final data on Medicaid FFS enrollment. Data include managed care enrollment through June 2005.**

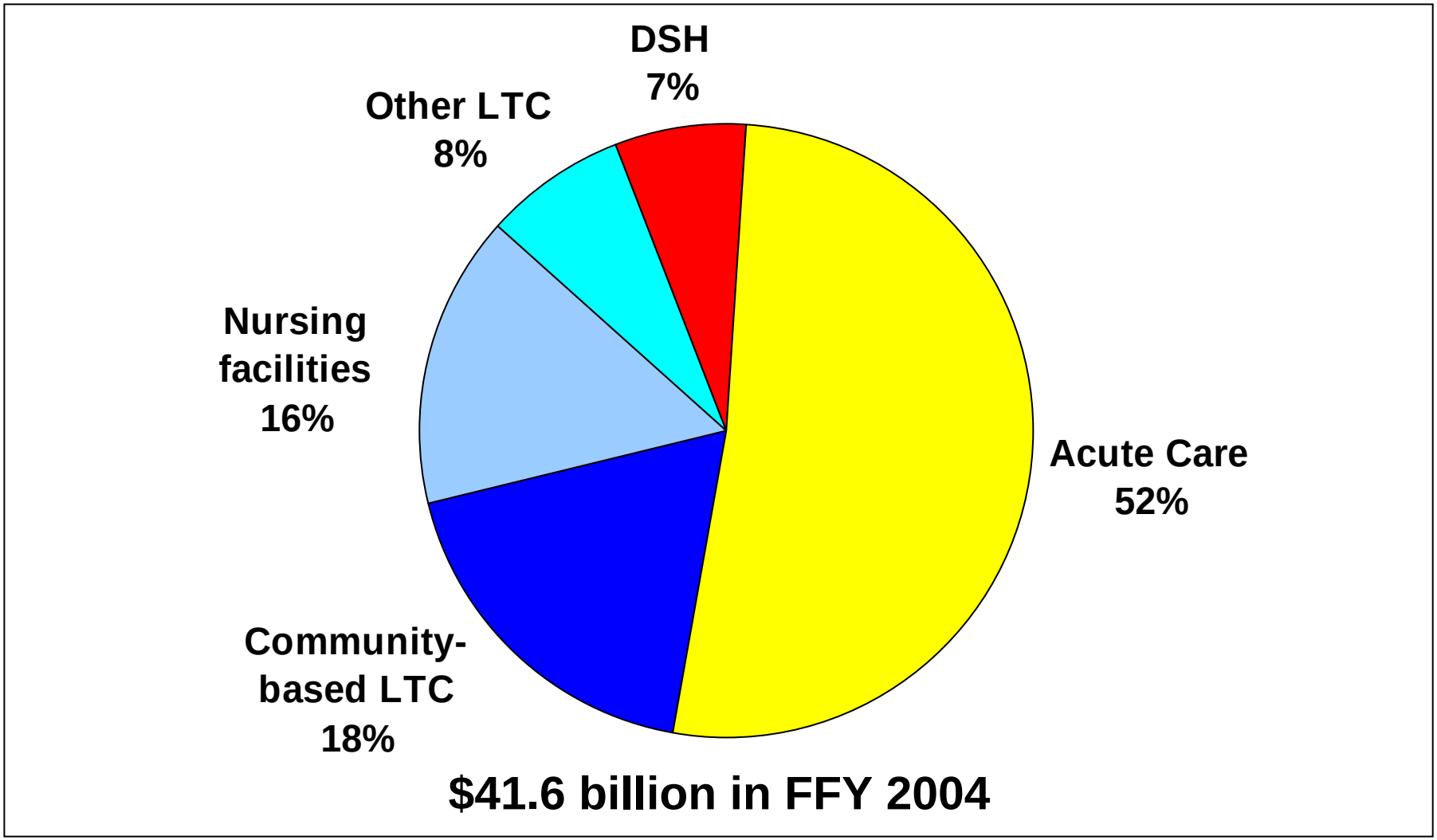
Source: **United Hospital Fund analysis of New York State Department of Health enrollment reports.**

Managed care accounts for more than half of New York's Medicaid enrollment and just 13 percent of spending



Note: **Medicaid spending is from FFY 2004. Enrollment is from September 2004, the last month in FFY 2004. Direct provider subsidies count as fee-for-service spending.**
Source: **United Hospital Fund analysis of New York State Department of Health enrollment reports and CMS 64.**

Community-based long term care now accounts for more Medicaid spending than nursing homes in New York



Note: Community-based LTC includes all community-based services, including home health and personal care. Other LTC includes ICF and MH inpatient services. Shares do not sum to total due to rounding.
Source: United Hospital Fund analysis of CMS 64

Medicaid Policy Paradoxes

- Medicaid has some unique policy paradoxes with regard to improving efficiency and care management
  - For every dollar saved, the Federal government gets at least half if not more depending on state match
  - Better care management for dual eligibles often yields more savings to Medicare than Medicaid

Opportunities for Alignment of Medicaid and HIT Policies

- Strengthening data resources – integration of administrative and clinical data, public health, etc
- Improving care management – chronic care improvement, links between acute and long term care
- Improving quality and outcomes – measurement, reporting and incentives (e.g., P4P)

Challenges for Alignment of Medicaid and HIT Policies

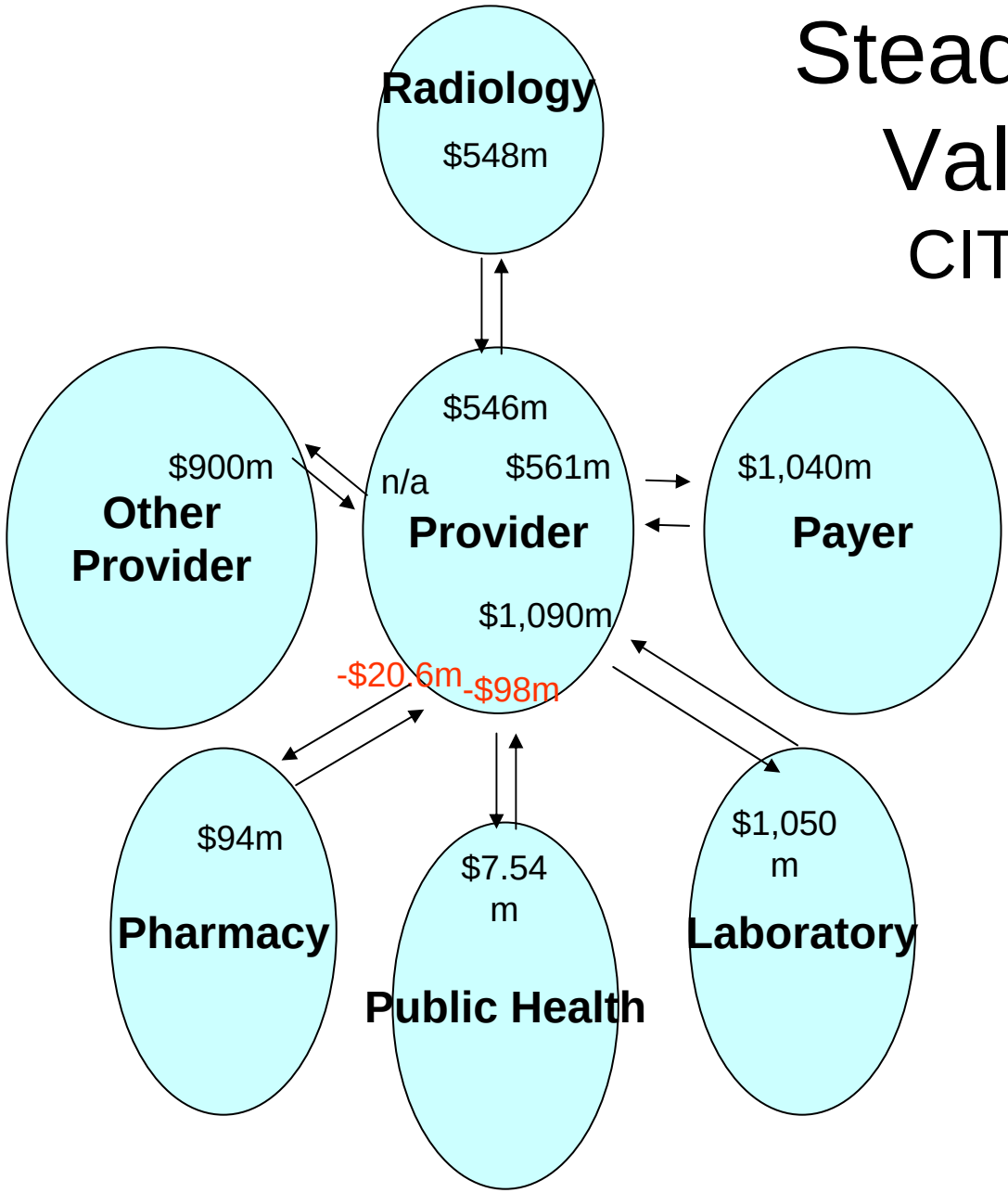
- Eligibility issues – different rules for different groups, administrative hurdles and enrollment churning
- Provider issues – participation and population distribution varies; more reliance on safety net providers
- Federal regulations limit uses of Medicaid data and state authority to implement policy variations on regional basis, and by eligibility or provider group

NYS Medicaid and ePrescribing: A Case Study

- Defining the value
- Mechanisms to capture and provide the information
- Assuring privacy and security
- Payment policy changes

Steady-State Annual Value at Level 4

CITL NYS Analysis



NY total:
$4.54 billion

Providers:
$1.8 billion

Large hospital
$3.35 million

Mechanisms to Collect and Transmit Prescription Data

- NYS eMedNYS (MMIS) contains Medicaid beneficiaries' prescription history as well as drug utilization review information
- Providers currently get Medicaid eligibility information from eMedNYS but prescription history is not available at point of care
- Pharmacies can access eligibility and prescription information
- Expanding access requires technical systems changes

Assuring Privacy and Security

- HIPAA plus stricter NYS laws relating to disclosure
- History of strict control of access to Medicaid data
- Requires agreement on principles and procedures governing access to and use of the prescription history information

Payment Policies

- Quantifying benefits and translating into overall formula
- Various routes to obtain Federal approval
- Coordination between Medicaid and private plans

Recommendations

- Prescribe easy process for HIT P4P policies
- Declare clear Medicaid data privacy policy
- Support efforts to quantify HIT benefits
- Encourage state development of Medicaid system improvements, use 90% formula
- Non-HIT: Promote Medicare/Medicaid collaboration on Dual Eligibles